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United Nations Industrial Development Organization

Industrial Development Board

Eleventh session

SUMMARY RECORD OF THE 8th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 2 July 1993, at 4 p.m.

President: Mrs. MACHADO QUINTELLA (Brazil)

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The meeting was called to order at 4.10 p.m.

INTRODUCTION OF DRAFT DECISIONS (IDB.11/L.1-L.29, L.31, L.32).

1. The PRESIDENT said that agenda items 4-12 and 14-16 were still open for the adoption of decisions. A number of draft decisions were before the Board for consideration (IDB.11/L.1-L.29, L.31, L.32).

2. Viscount VILAIN (Belgium), speaking as chairman of the informal consultations established to facilitate the drafting of decisions, said that the drafts on which consensus had been achieved were now before the Board. On a few proposals, the group had been unable to reach consensus.

3. The PRESIDENT thanked the chairman of the consultations for his efforts. The draft decisions approved by consensus in the informal consultations were now being submitted to the Board for consideration as drafts of the President.

UNIDO POLICIES (continued) (IDB.11/L.25, L.26)

DEVELOPMENT OF HUMAN RESOURCES (continued) (IDB.11/L.24)

UNIDO ACTIVITIES IN THE FIELD OF RESTRUCTURING, INCLUDING PRIVATIZATION (continued) (IDB.11/25)

4. The PRESIDENT recalled that the Board had considered part of agenda item 4 ("UNIDO policies") together with items 8 ("Development of human resources") and 10 ("UNIDO activities in the field of restructuring, including privatization"). She invited the Board to resume the consideration of that group of items, and drew attention first to draft decision IDB.11/L.25 on UNIDO policies and the programming of the medium-term plan, 1992-1997, in accordance with current priority areas.

5. The draft decision was adopted.

6. The PRESIDENT drew attention to the draft decision on the development of human resources (IDB.11/L.24).

7. The draft decision was adopted.

UNIDO POLICIES (continued) (IDB.11/L.26)

MEDIUM-TERM PLAN, 1994-1999 (continued) (IDB.11/L.26)

ORGANIZATIONAL AND STAFF STRUCTURE OF UNIDO (continued) (IDB.11/L.26)

NEW CONCEPTS AND APPROACHES FOR COOPERATION IN INDUSTRIAL DEVELOPMENT IN CONFORMITY WITH ARTICLE 2 (c) OF THE CONSTITUTION (continued) (IDB.11/L.26)

8. The PRESIDENT invited the Board to resume consideration of the group of items consisting of the second part of agenda item 4 and of items 7 ("Medium-term plan, 1994-1999"), 11 ("Organizational and staff structure of UNIDO") and 14 ("New concepts and approaches for cooperation in industrial development in conformity with Article 2 (c) of the Constitution"), and drew attention to draft decision IDB.11/L.26 on UNIDO policies and structure and the future policy framework in accordance with priorities in the medium-term plan, 1994-1999, and resource projections, and a reformed organizational and staff structure. Regarding the proposed resumed eleventh session of the Board, she wished to suggest, after consultations with the Bureau and the Director-General, that paragraph (c) (ii) should be amended and that the words "at an appropriate time" should be replaced by "on 28-29 October 1993".

9. It was so decided.

10. Mr. BALAZS (Hungary) suggested that the word "opinions" in the first line of paragraph (b) should be replaced by the word "report", and that the words "those of Member States" in the third line should be replaced by "the opinions of Member States".

11. After some discussion, Mr. FONTES BRAGA (Brazil) suggested that the word "opinions" should be replaced by "report", as suggested by the representative of Hungary, but that the phrase "those of Member States" should be replaced by "the positions of Member States".

12. It was so decided.

13. Draft decision IDB.11/L.26, as orally amended, was adopted.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1992 ON THE ACTIVITIES OF THE ORGANIZATION: (continued) (IDB.11/L.1, L.2, L.10)

(a) UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1992 (continued) (IDB.11/L.3)

(b) SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (continued) (IDB.11/L.13)

(c) SPECIAL PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT OF ASIA AND THE PACIFIC (continued) (IDB.11/L.7)

(d) REGIONAL COOPERATION PROGRAMME FOR THE INDUSTRIAL RECOVERY OF LATIN AMERICA AND THE CARIBBEAN (continued) (IDB.11/L.4)

(e) SPECIAL PROGRAMME FOR INDUSTRIAL DEVELOPMENT IN THE ARAB COUNTRIES (continued) (IDB.11/L.11)

(f) INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES (continued) (IDB.11/L.23)

(g) TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE (continued) (IDB.11/L.32)

(h) TECHNICAL ASSISTANCE TO THE SOUTH AFRICAN NATIONAL LIBERATION MOVEMENTS RECOGNIZED BY THE ORGANIZATION OF AFRICAN UNITY (continued) (IDB.11/L.8)

(i) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (continued) (IDB.11/L.9)

(j) INTEGRATION OF WOMEN IN INDUSTRIAL DEVELOPMENT (continued) (IDB.11/L.22)

(k) UNIDO ENVIRONMENT PROGRAMME, INCLUDING FOLLOW-UP TO THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (continued) (IDB.11/L.14)

(l) SYSTEM OF CONSULTATIONS (continued) (IDB.11/L.6)

(m) DEVELOPMENT AND TRANSFER OF TECHNOLOGY (continued) (IDB.11/L.12)

(n) INDUSTRIAL INVESTMENT PROMOTION (continued) (IDB.11/L.16)

(o) EVALUATION OF UNIDO PROGRAMMES AND ACTIVITIES (continued) (IDB.11/L.5)

14. The PRESIDENT drew attention to draft decision IDB.11/L.1 on the annual report of the Director-General.

15. The draft decision was adopted.

16. The PRESIDENT drew attention to draft decision IDB.11/L.2 on activities in the field of energy.

17. The draft decision was adopted.

18. The PRESIDENT drew attention to draft decision IDB.11/L.10 on drug abuse control activities.

19. The draft decision was adopted.

20. The PRESIDENT said that under sub-item (a), "UNIDO technical cooperation activities in 1992", she was submitting for consideration a draft decision contained in document IDB.11/L.3.

21. The draft decision was adopted.

22. The PRESIDENT drew attention to the draft decision on sub-item (b), "Second Industrial Development Decade for Africa" (IDB.11/L.13).

23. Mr. SARBU (Romania) suggested that, in paragraph (h), the words "of the relevant organizational unit" should be inserted between the words "proper functioning" and "in the Secretariat".

24. Mr. TALIANI (Italy) said that he understood the motivation behind the Romanian proposal, but thought that the Director-General should be left free to modify the Secretariat machinery as he thought best.

25. Viscount VILAIN (Belgium), speaking as chairman of the informal consultations, noted that the point raised by the representative of Romania had already been discussed during the

consultations. The drafting of paragraph (h) represented a compromise solution, and he appealed to the Romanian delegation not to reopen the debate on the issue.

26. Draft decision IDB.11/L.13 was adopted.

27. The PRESIDENT drew attention to the draft decision on sub-item (c), "Special Programme for the Industrial Development of Asia and the Pacific" (IDB.11/L.7).

28. The draft decision was adopted.

29. The PRESIDENT drew attention to the draft decision on sub-item (d), "Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean" (IDB.11/L.4)

30. The draft decision was adopted.

31. The PRESIDENT drew attention to the draft decision on sub-item (e), "Special Programme for Industrial Development in the Arab Countries" (IDB.11/L.11).

32. The draft decision was adopted as amended.

33. The PRESIDENT drew attention to the draft decision on sub-item (f) "Industrialization of the least developed countries" (IDB.11/L.23).

34. The draft decision was adopted.

35. The PRESIDENT said that a draft decision on sub-item (g), "Technical assistance to the Palestinian people", had been submitted by the Group of 77 (IDB.11/L.32).

36. Mr. MARTIN (United States of America) said that his Government had no objection to providing technical assistance to the Palestinian people, as evidenced by its unstinting support of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. It could nevertheless not condone the involvement of UNIDO in areas outside its competence. His delegation would therefore request a vote on the draft decision, which could be taken by show of hands.

37. Mr. LEE (Republic of Korea), speaking on behalf of the Group of 77, said the Group's decision to submit draft decision IDB.11/L.32 had been taken on the basis of a consensus. The draft had been taken from the texts of previous decisions adopted by both the Board and the United Nations General Assembly. The Group had hoped that the draft decision would win universal support.

38. Mr. EL HUSSEIN (Sudan) said the draft did not propose any new initiatives and, in the past, the Board had adopted similar drafts by an overwhelming majority. His delegation had hoped the draft would be adopted by consensus, but since one delegation had called for a vote he would ask that the vote should be taken by roll-call.

39. Mr. AL-GHAIS (Kuwait) said his delegation had gone along with the consensus on the draft decision, despite a number of objections. Kuwait had always supported, and would continue to support, the Palestinian people in their struggle to achieve independence and to free themselves from Israel's grip. However, with regard to paragraph (d) (3), which requested the Director-General to increase UNIDO assistance to the Palestinian people in close cooperation with the Palestine Liberation Organization, no conditions whatsoever should be placed on such cooperation. His country had basic difficulties in cooperating with the Palestine Liberation Organization. Kuwait would nevertheless vote for the draft decision.

40. A vote was taken by roll-call on draft decision IDB.11/L.32.

41. Switzerland, having been drawn by lot by the President, was called upon to vote first.

In favour: Austria, Belarus, Belgium, Bolivia, Brazil, Cameroon, Chile, China, Cuba, Egypt, Ethiopia, Finland, France, Germany, Ghana, Greece, Guinea, Hungary, India, Indonesia, Iran, Islamic Republic of, Italy, Japan, Kuwait, Mexico, Morocco, Netherlands, Nigeria, Norway, Pakistan, Peru, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Slovakia, Spain, Sudan, Switzerland, Thailand, Trinidad and Tobago, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, Venezuela, Zimbabwe.

Against: United States of America.

42. Draft decision IDB.11/L.32 was adopted by 46 votes to 1.

43. Mr. HULSE (United Kingdom) said his delegation had voted in favour because it supported increased UNIDO assistance to the Palestinian people, but had reservations because it was inappropriate to use wording of a political nature in a draft decision by a technical organization such as UNIDO.

44. Mr. TREMEAU (France) said that his delegation had supported the text because it was important to increase cooperation with the Palestinian people, but that political connotations should be avoided.

45. Mr. GUTIERREZ (Chile) said that his delegation supported the draft decision, but felt that it was inadvisable to take a political stance in a technical organization.

46. Mr. SARBU (Romania), Mr. KRAMER (Netherlands) and Mr. TALIANI (Italy) supported the comments made by the previous speakers.

47. Mr. AWEIDAH (Observer for Palestine) thanked the delegations that had voted in favour of the draft decision and expressed the appreciation of his people for the support they received in developing their country, in the hope that peace could be achieved in the region in the near future. His delegation would like to avoid political conflict and was always ready to help UNIDO in its work.

48. The PRESIDENT said that under sub-item (h), "Technical assistance to the South African national liberation movements recognized by the Organization of African Unity", she was submitting for consideration a draft decision contained in document IDB.11/L.8.

49. The draft decision was adopted.

50. Mr. MARTIN (United States of America) said that his delegation had not wished to block consensus on the issue, but wished to dissociate itself from the reference to certain liberation movements whose activities were not conducive to peace.

51. The PRESIDENT drew attention to the draft decision on sub-item (i), "Economic and technical cooperation among developing countries" (IDB.11/L.9).

52. The draft decision was adopted.

53. The PRESIDENT drew attention to the draft decision on sub-item (j), "Integration of women in industrial development" (IDB.11/L.22).

54. The draft decision was adopted.

55. The PRESIDENT drew attention to the draft decision on sub-item (k), "UNIDO environment programme, including follow-up to the United Nations Conference on Environment and Development" (IDB.11/L.14).

56. The draft decision was adopted.

57. The PRESIDENT drew attention to the draft decision on sub-item (l), "System of Consultations" (IDB.11/L.6).

58. The draft decision was adopted.

59. The PRESIDENT drew attention to the draft decision on sub-item (m), "Development and transfer of technology" (IDB.11/L.12).

60. The draft decision was adopted.

61. The PRESIDENT drew attention to the draft decision on sub-item (n), "Industrial investment promotion" (IDB.11/L.16).

62. Mr. HELLER (Mexico) said that his delegation joined the consensus on the mobilization of funds for industrial investment programmes for countries with economies in transition, but wished to recall that the primary objective of UNIDO was industrial development in developing countries, particularly the least developed countries. It was important that funds should not be diverted from that purpose, and he referred the Board in that connection to the United Nations General Assembly's Declaration on International Economic Cooperation (resolution S-18/3). He also wished to remind the Board of the decision that it had adopted earlier on the industrialization of the least developed countries in the 1990s, (IDB.11/L.23).

63. Draft decision IDB.11/L.16 was adopted.

64. The PRESIDENT drew attention to the draft decision on sub-item (o), "Evaluation of UNIDO programmes and activities" (IDB.11/L.5).

65. The draft decision was adopted.

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE:

(a) SCALE OF ASSESSMENTS (continued)

66. The PRESIDENT reminded the Board that the Programme and Budget Committee, in its conclusion 93/5 (IDB.11/15, para. 18), had proposed that the Board recommend to the General Conference the establishment of a scale of assessments for the biennium 1994-1995 based on the scale most recently employed by the United Nations, to be adjusted to the membership of UNIDO.

67. The latest scale of assessments prepared by the Secretariat was contained in document IDB.11/5/Add.1.

68. Following informal consultations, she wished to submit for consideration the following draft decision:

"The Industrial Development Board:

"(a) Takes note of conclusion 93/5 of the Programme and Budget Committee and documents IDB.11/5 and Add.1 on the scale of assessments for regular budget expenditures for 1994-1995;

"(b) Recommends to the General Conference for the fiscal period 1994-1995 the establishment of a scale of assessments for the regular budget expenditures of UNIDO based on the scale of assessments adopted by the United Nations General Assembly in decision 47/456, to be adjusted if necessary to reflect any amendments approved by the General Assembly at its forty-eighth session and further adjusted for differences in the membership between the United Nations and UNIDO by the application to the United Nations rates of assessment of a coefficient to be calculated by the UNIDO Secretariat;

"(c) Requests the Director-General to submit his document on the scale of assessments to the General Conference with the following footnote:

"'In accordance with General Conference resolution GC/S.1/Res.1 the Federal Republic of Yugoslavia (Serbia and Montenegro) cannot continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in UNIDO. Subject to any amendment to the United Nations scale of assessments approved by the United Nations General Assembly at its forty-eighth session, this rate will apply to the Federal Republic of Yugoslavia (Serbia and Montenegro) should it apply for membership in UNIDO and be accepted.'"

69. The draft decision was adopted.

70. Mr. ZAITSEV (Russian Federation) said that his delegation had not objected to the adoption of the decision, but wished to reiterate its views expressed at the special session of the General Conference and at the current session of the Board and to reserve its position. The reservation related more precisely to the text relating to the Federal Republic of Yugoslavia (Serbia and Montenegro). The draft went beyond General Conference resolution GC/S.1/Res.1, and could be construed as meaning that the Federal Republic of Yugoslavia had been completely excluded from the Organization. If the text had been put to a vote, his delegation would have voted against it.

71. Mr. KOROLEV (Belarus) recalled what had been said by his delegation at the 4th meeting, particularly regarding the increase in the proposed assessment for Belarus. His delegation had not objected to the adoption of the decision

by consensus, but had serious reservations on paragraph (b). If the text had been put to a vote, his delegation would have voted against it.

72. Ms. CARRILLO (Cuba) said that her delegation welcomed the efforts made during the session to find solutions that would not weaken the Organization. Her delegation accepted the wording of paragraph (b), despite the economic situation in Cuba, and was aware of its international commitments. Her delegation associated itself with the consensus on the budget for 1994-1995 and the corresponding scale of assessments because it was very important to strengthen multilateral organizations like UNIDO. Cuba hoped, however, that the new management of UNIDO would adhere to the budgetary policy it had set out.

73. Mr. REINVART (Slovakia) said that his delegation's position was in line with that of the delegation of Belarus.

74. Mr. ARASTOU (Islamic Republic of Iran) said that his delegation had two reservations regarding item 6 (a). Firstly, it did not agree with the proposed increase in Iran's assessed contribution for the period 1994-1995. Secondly, although his delegation had not wished to break the consensus on the decision, it felt that the proposed footnote was problematic. In view of the General Conference resolution, the Federal Republic of Yugoslavia (Serbia and Montenegro) should not be mentioned and the reference to "Yugoslavia" in the relevant document should be deleted.

(b) INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT (continued) (PBC.9/7 and Corr.1; IDB.11/10)

75. The PRESIDENT suggested that the Board should take note of the documentation submitted by the Secretariat on this subject.

76. It was so decided.

(c) PROGRAMME AND BUDGETS, 1994-1995 (continued) (IDB.11/L.21)

77. The PRESIDENT drew the Board's attention to draft decision IDB.11/L.21.

78. Mr. ARIAS-SALGADO (Spain) reiterated the reservation he had expressed at the 4th meeting. He would not oppose the consensus, but reserved the right to raise the issue of zero real growth again in the General Conference.

79. Mr. BLANCHET (Observer for Argentina) recalled that at the ninth session of the Programme and Budget Committee, he had expressed reservations concerning conclusion 93/4 (see document IDB.11/15, annex I), since he had had strict instructions not to accept an increase in contributions, in view of the tight fiscal control being exercised by his Government. He was pleased to inform the Board that, in view of the Director-General's measures to reform the Organization, his Government could now accept the level of contributions under the present decision. His Government regarded the draft decision as a vote of confidence in the Director-General and an encouragement to him to continue his efforts. He urged the developed countries, despite the recession, to provide more financial support in order to revitalize UNIDO.

80. Draft decision IDB.11/L.21 was adopted.

(d) INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS (continued) (IDB.11/L.18)

81. Draft decision IDB.11/L.18 was adopted.

(e) WORKING CAPITAL FUND (continued) (IDB.11/L.17)

82. Draft decision IDB.11/L.17 was adopted.

(f) JOINT UNITED NATIONS/UNIDO CONFERENCE SERVICE (continued) (IDB.11/L.19)

83. Draft decision IDB.11/L.19 was adopted.

(g) APPOINTMENT OF EXTERNAL AUDITOR (continued) (IDB.11/22)

84. Mr. BAKSHI (India) said that, bearing in mind the need for unity, cooperation and consensus in UNIDO, his Government withdrew the candidature of the Comptroller and Auditor General of India to the post of External Auditor of UNIDO. Although the Comptroller and Auditor General of India was well qualified and his candidature had the support of the Group of 77, the President of the Federal Court of Audit of Germany was also well qualified. Relations between his country and Germany, including relations at the level of audit institutions, were excellent. He had been given to understand that India would have the opportunity to put forward its candidate for the next term of office. He expressed gratitude to his colleagues for their support.

85. Mr. SCHAAD (Germany) said that it was unusual for more than one candidate to be put forward for the post of External Auditor; although it was a privilege, the duties were onerous. He thanked the representative of India for making possible a pragmatic solution by withdrawing its candidate. Germany would certainly support a future candidature by India.

86. Mr. KELLAND (Observer for Denmark), speaking on behalf of the European Community and its member States, expressed gratitude to the Indian delegation for its decision. He suggested that the Board should adopt the following draft decision on the appointment of an External Auditor:

> "The Industrial Development Board recommends to the General Conference the appointment of Mr. H.G. Zavelberg, President of the Federal Court of Audit of Germany, as the External Auditor for UNIDO for a period of two years beginning on 1 July 1994, under the terms of reference specified in article XI (and annex) of the Financial Regulations of UNIDO. The travel and costs related to the work of the External Auditor are to be borne by the UNIDO regular budget."

87. The PRESIDENT thanked the representative of India for having permitted a consensus. If she heard no objection, she would take it that the Board wished to adopt the draft decision just read out.

88. It was so decided.

(i) UNIDO COUNTRY DIRECTOR PROGRAMME (continued) (IDB.11/L.28)

89. The PRESIDENT drew attention to draft decision IDB.11/L.28.

90. Mr. EL HUSSEIN (Sudan), supported by Mr. BADR (Observer for Yemen), said that he was gratified that a consensus had been reached and stressed the importance of the UNIDO Country Director (UCD) programme. He urged the Director-General to ensure that the number of UCDs was increased to 50, as urged in paragraph (d). He hoped that there was no truth in the rumour that the number of UCDs would be reduced and some offices closed, since that would be contrary to the decision. UCDs were very important in Africa, where they helped to make field programmes more efficient by monitoring and evaluating projects.

91. The draft decision was adopted.

(j) FINANCIAL SITUATION OF UNIDO (continued) (IDB.11/L.20)

92. The PRESIDENT drew attention to draft decision IDB.11/L.20.

93. Mr. ARIAS-SALGADO (Spain) reiterated the reservation he had made during the general debate on the temporary suspension of financial regulations 4.2(b) and 4.2(c). He would raise the matter again at the General Conference, in the light of the financial situation of the Organization at that time.

94. Mr. REINVART (Slovakia), referring to paragraph (g), said that his country had already paid its 1993 contribution on 13 June.

95. Mr. MARTIN (United States of America) said he did not wish to block consensus on the draft decision, but reiterated his disagreement with the repeated temporary suspension of financial regulations 4.2(b) and 4.2(c), which constituted unsound management practice.

96. Draft decision IDB.11/L.20 was adopted.

GUIDELINES FOR SPECIAL TRUST FUND PROJECTS (continued) (IDB.11/L.27)

. TALIANI (Italy) said that his delegation was not against the draft decision and would not propose any amendments, but wished to state its view that UNIDO must maintain appropriate flexibility in the approval and implementation of special trust fund projects.

98. Draft decision IDB.11/L.27 was adopted.

PERSONNEL MATTERS: (continued)

(a) UNIDO STAFF PENSION COMMITTEE FOR 1994-1995 (continued) (IDB.11/L.31)

99. The PRESIDENT drew attention to draft decision IDB.11/L.31. The document should be completed with the following data: the vacant post for the remainder of the year 1993 would be filled by Mr. Abdul Qawi Al-Eryani (Yemen); the second member for 1994-1995 would be Mr. Abdelkader Aziria (Algeria); the second alternate would be Mr. José Antonio García Torres (Peru).

100. The draft decision (IDB.11/L.31), as revised, was adopted.

(b) WOMEN IN THE SECRETARIAT (continued) (IDB.11/10, IDB.11/11)

101. The PRESIDENT said that there was no draft decision on sub-item (b), and proposed that the Board should take note of the progress reports on the subject.

102. It was so decided.

PARTICIPATION OF UNIDO IN INTERNATIONAL COOPERATION TO STUDY AND MITIGATE THE CONSEQUENCES OF THE CHERNOBYL ACCIDENT (continued) (IDB.11/L.15)

103. The PRESIDENT drew attention to draft decision IDB.11/L.15.

104. The draft decision was adopted.

PREPARATORY ARRANGEMENTS FOR THE FIFTH SESSION OF THE GENERAL CONFERENCE (continued) (IDB.11/L.29)

105. The PRESIDENT drew attention to draft decision IDB.11/L.29.

106. Viscount VILAIN (Belgium), speaking as chairman of the informal consultations, said that the adoption of the provisional agenda for the fifth session of the General Conference (paragraph (a) of the draft decision) should be without prejudice to any additional items or amendments that might be decided upon at the resumed session of the Board prior to the fifth session of the General Conference.

107. Mr. RIOBO (Chile) suggested that that proviso might be appended to the text of the provisional agenda circulated to Member States attending the General Conference.

108. The PRESIDENT said that due note had been taken of the statement made by the chairman of the informal consultations.

109. The draft decision was adopted.

DATE OF THE TWELFTH SESSION

110. The PRESIDENT said that, if she heard no objection, she would take it as proposed that the twelfth session of the Board should be held from 9 to 13 May 1994.

111. It was so decided.

112. The PRESIDENT recalled that, in accordance with decision IDB.5/Dec.46, the provisional agendas for the regular sessions should be drawn up in biennial groups by a special brief session of the Board following the General Conference. The Board might therefore wish to decide to hold its sixth special session immediately after the fifth session of the General Conference for half a day only for the purpose of adopting the provisional agenda of the twelfth session and the tentative provisional agendas of the thirteenth and fourteenth sessions.

113. It was so decided.

ADOPTION OF THE REPORT OF THE ELEVENTH SESSION (IDB.11/L.30)

114. Mr. TCHOULKOV (Russian Federation), Rapporteur, introducing the draft report of the Board on its eleventh session (IDB.11/L.30), said that it had been prepared in consultation with all the geographical groups and followed the same format as the reports of all previous sessions of the Board since UNIDO had become a specialized agency. Of necessity, it still contained many blanks and might have to be partly restructured

owing to the complexity of the session's deliberations. He therefore proposed that the Board should adopt it on the understanding that he would finalize it after the suspension of the session in close consultation with the "Friends of the Rapporteur".

115. It was so decided.

STATEMENT BY THE DIRECTOR-GENERAL

116. Mr. DE MARIA Y CAMPOS (Director-General) said that the confidence and support of Member States and their new commitment to exploring UNIDO's strengths boded well for the Organization at a time when its raison d'être and indeed its future had been in question.

117. In the light of the decisions taken, and subject to decisions to be taken at the resumed session of the Board, he intended to submit details of his revised proposals, together with their financial implications, to the General Conference at its fifth session, thus enabling it to take decisions on the programme and budgets for 1994-1995 on the basis of the present Board decision and the restructuring proposals to be submitted. A definitive programme and budget document for 1994-1995 reflecting the decisions of the General Conference would be presented to the Programme and Budget Committee at its tenth session in the spring of 1994. The Secretariat would now be working on the priorities and the new structure of the organization with which to implement the 1994-1995 budget, building on the advice given by the Board in connection with agenda item 11 ("Organizational and staff structure of UNIDO"). Consolidated proposals would be received by Board members in September so that, at the resumed session in October, appropriate recommendations could be made to the General Conference. He looked forward to a substantive discussion of the six basic objectives, the findings on the demand for UNIDO services and other restructuring issues, the current and future capabilities of the Organization, the comparative advantage at programme level, the critical mass of staff and the financial and other resources needed. The Secretariat would be submitting for the Board's consideration a proposed organizational structure capable of delivering efficiently the substantive services required and ensuring the availability of the necessary professional disciplines.

118. The world still needed an agreed vision of industrial development in the second half of the 1990s and beyond, and of UNIDO's role. Agreeing on that vision was the real task of the coming General Conference session. As he had said at the 1st meeting, a Yaoundé Declaration should serve as a platform for future actions and for mobilizing ideas and resources. In addressing the issues of UNIDO's priorities and structure, imagination, political will and intellectual effort must be combined in order to understand the differences in the development tasks of the 1990s and their implications for the Organization.

119. A new driving force to which development instruments could be harnessed was needed. The Board had decided that an informal contact group should be organized by permanent missions in Vienna, under the guidance of the Bureau, for the preparation of the fifth session of the General Conference, and the Secretariat would arrange for further opportunities to exchange views on the substantive content of the suggested Declaration with Governments in all the regions and with the permanent missions, with the aim of seeking a convergence of views regarding the future. Without wishing to anticipate those consultations, he believed that the time had come to complement the quantitative concepts of the Lima Declaration with qualitative targets for industrial development and its links with socio-economic progress and growth. He hoped that, in retrospect, Yaoundé would be seen as marking the renewed commitment of the international community to industrial development and the role of UNIDO in that cause. The changes that lay ahead would have to take account of changes in the social and economic work of the United Nations system as a whole, and of the need for a more decentralized approach and a stronger field representation system. It would be rewarding if UNIDO could be the agency that had charted a new and dynamic course for the United Nations economic development system. Through combined efforts, UNIDO could show all those seeking reform of the United Nations system how an international institution could transform itself in response to the rapidly changing international economic environment of the 1990s.

120. Before closing, he would like to add a word of thanks to the staff of UNIDO, especially to those whose untiring efforts had ensured the proper flow of documents and information for the meetings. At the same time, he was sure that Member States would appreciate the close interest taken by all the staff in the proceedings; that had been evident in the staff statement in document IDB.11/30. The UNIDO management did not fully share the interpretation of events given in that document, but it did understand the staff's concern both for the Organization and regarding the practical effects for the staff of any measures to be taken.

121. The changes in the 1994-1995 budget had necessitated reallocation of resources in both the regular and the operational budgets. To adjust to the realities of reduced operational and regular budgets, a reduction of staff had been unavoidable. He had taken care to see that such measures were planned and executed in consultation with staff representatives, and the latter had made a constructive contribution. He would continue to ensure fairness and transparency in matching the reasonable expectations of staff with the needs of the Organization, but responsibility on the part of the staff would also be needed if the Organization was to survive and emerge stronger. He wished to assure Member States and the staff of his concern for the well-being of staff affected by economy measures, and their families. UNIDO would make every effort to mitigate any negative consequences for them. Eventually, UNIDO should emerge a healthier, more resilient organization with good career prospects for its employees, financially stable and in a position to cope with the tasks ahead. He would work to maintain the understanding and support of Member States.

122. He wished to take the opportunity to inform the Board that the Executive Committee of the Montreal Fund had just approved a package of environmental projects for UNIDO execution worth 2.5 million dollars. He had also just learnt that the balance of the payment agreed on by Cameroon for the organization of the Yaoundé General Conference session had arrived.

123. He expressed his thanks for the work done by the President of the Board, by Viscount G. Vilain XIIII of Belgium, by the Rapporteur and by all the members of the Bureau, and to express appreciation to all delegations for their support. He and the staff would be working hard during the coming months to produce a good, imaginative proposal for the resumed session.

SUSPENSION OF THE ELEVENTH SESSION

124. The PRESIDENT said that, in adopting draft decisions IDB.11/L.26 and IDB.11/L.29, the Board had decided to resume its session on 28 and 29 October 1993 to consider the proposals of the Director-General on the future policy framework and organization and staff structure of UNIDO, and to consider recommending themes on which the General Conference could focus its general debate at the coming session. She was sure that, before the end of the General Conference session, it would be possible, through a process of dialogue, to arrive at the necessary decisions to shape a new UNIDO, adapted to the challenges of the present day.

125. After the customary exchange of courtesies, she declared the session suspended.

The meeting rose at 6.20 p.m.